

BEFORE THE DIVISION OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES
STATE OF UTAH

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IN THE MATTER OF A TENTATIVE :
DECISION TO APPROVE A
MINING AND RECLAMATION PLAN FOR :
PEARL QUEEN PERLITE CORPORATION'S
PEARL QUEEN PERLITE MINE, :
BEAVER COUNTY, UTAH

NOTICE OF TENTATIVE
DECISION TO APPROVE
NO. M/001/027

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THE STATE OF UTAH TO ALL OPERATORS, TAKERS OF PRODUCTION,
MINERAL AND ROYALTY OWNERS, AND PARTICULARLY ALL PERSONS
INTERESTED IN SECTION 2, TOWNSHIP 27 SOUTH, RANGE 9 WEST, BEAVER
COUNTY, UTAH.

Notice is hereby given by the Division of Oil, Gas and Mining of its tentative decision to approve Pearl Queen Perlite Corporation's Mining and Reclamation Plan for the Pearl Queen Perlite Mine. Mining activities will effect the following area: SE1/4 Section 2, T27S, R9W, SLBM, Beaver County, Utah.

The operator will employ the following mining and reclamation techniques on approximately 10 acres of State land.

During Operations: Pearl Queen Perlite will contract the mining and primary crushing of the perlite ore on site. Initially a 20,000 ton mining campaign is proposed, eventually expanding to an estimated 60,000 ton annual production rate. Brush will be cleared and grubbed from the areas to be mined, and moved to storage or disposal areas. The 12-inch layer of soil/rubble-perlite will be bulldozed into stockpiles for use in mine reclamation. The estimated 3-foot thick perlite/caliche surface zone will be ripped and bulldozed into a waste disposal site, forming the initial portable crusher and ore stockpile site. As new areas are stripped, this material will be bulldozed into mined-out areas, or stockpiled for later placement in the mined-out areas. The perlite ore will be ripped and bulldozed into a stockpile before primary crushing. If the perlite ore is too hard for ripping, drilling and blasting may be required. A portable crushing plant will crush the perlite ore to minus 1-1/2 inch and stockpiled. The crushed ore will be trucked to the processing plant/rail loadout located near the town of Milford. Process plant perlite waste fines will be returned to the mine site for disposal in the mined-out area. Appropriate sediment and erosion control measures will be used onsite. As the mining progresses southerly in 50-foot

increments, the overburden will be ripped and bulldozed into the mined-out areas of the open pit. The maximum amount of disturbed area should occur during the second year. Mine reclamation will be an ongoing process during the mining operation.

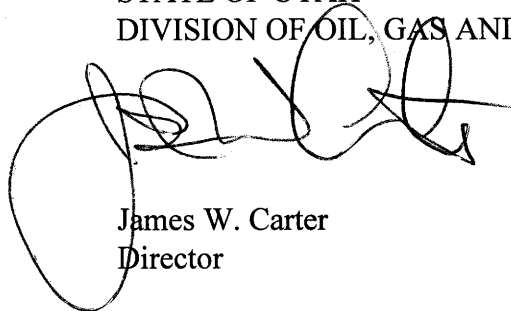
Following Operations: Process plant waste will be hauled back to the mine, placed uniformly over the recontoured perlite/caliche waste rock in the open pit and compacted with a tracked vehicle or compactor. The stockpiled soil/rubble-perlite will be uniformly placed over the waste rock and process plant waste disposed of in the mined-out open pit. The surface of the reclaimed areas will be contour graded and topsoiled, then fertilized and seeded with an approved plant-seed mix.

The person representing the company is Mr. Jay Gatten; Phone: (801) 544-3421. Pearl Queen Perlite Corporation is fulfilling obligations under the Utah Mined Land Reclamation Act of 1975, Utah Code Ann. §40-8-18.

Any person or agency aggrieved by this tentative decision to issue approval is hereby requested to submit written protest within thirty (30) days of the date of publication to Mary Ann Wright, Associate Director of Mining, Division of Oil, Gas and Mining, 1594 West North Temple, Suite 1210, Box 145801, Salt Lake City, Utah 84114-5801, setting forth factual reasons for the complaint. If no responsive written protests are received by the Division within 30 days after the last date of publication, the tentative decision of the Division will be final.

DATED THIS 21st day of April, 1997

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

A large, stylized handwritten signature in black ink, appearing to read 'James W. Carter', is written over the printed name and title.

James W. Carter
Director

CERTIFICATE OF MAILING

I hereby certify that I caused a true and correct copy of the foregoing Notice of Tentative Approval for Pearl Queen Perlite Corporation's, Pearl Queen Perlite Mine project to be mailed by first class mail postage prepaid and/or faxed, the 21st day of April, 1997 to:

FACSIMILE: 237-2520
Salt Lake Tribune
Legal Advertising
143 South Main
P.O. Box 867
Salt Lake City, Utah 84110-0867

FACSIMILE: (801) 438-8804
Beaver Press
Legal Advertising
40 East Center Street
P.O. Box 351
Beaver, Utah 84713-0351

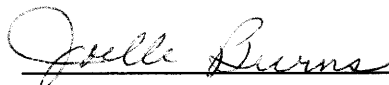
FACSIMILE: (801) 387-5521
Milford Monitor
Legal Advertising
450 North 100 East
P.O. Box 224
Milford, Utah 84751-0224

CERTIFIED RETURN RECEIPT
P 074 976 575
Jay Gatten
Pearl Queen Perlite Corporation
472 North Main
Kaysville, Utah 84037

John T. Blake
School and Institutional Trust Lands
Administration
675 East 500 South, Suite 500
Salt Lake City, Utah 84102

Craig Egerton, Acting Area Manager
Bureau of Land Management
Beaver River Resource Area
176 East D.L. Sargent Drive
Cedar City, Utah 84720

Blundell Geothermal
P.O. Box 769
Milford, Utah 84751



Joelle Burns, Secretary